

SPRING NEWSLETTER



New Office Opening

We are delighted to announce that we will be opening a new office in Aberdeen. This is an exciting opportunity for Watson Wood to expand our services to the Aberdeen area.

The new office will be available for meetings from the start of May. Read more about this on page 2!

Welcome to this month's newsletter!

In this edition we bring you the latest updates from Watson Wood, an in-depth chat with our planner Martyn, some commentary around current market conditions and an insight into whether you should be paying into your pension.

We are delighted to be opening a new office in Aberdeen, located at Arnhall Business Park.

This is an exciting opportunity for Watson Wood to expand our services throughout the North of Scotland.

Our Financial Planner Martyn, is based in Kintore and will be heading up the new office.

Martyn joined Watson Wood in November 2018 and is one of the longest serving members of the team. He started his career in Stockbroking in 2007 in the North West of England, gaining his entry level Investment Management qualifications. After learning his trade in the role in Blackpool, Martyn moved on to work for a Private Bank in Manchester as an Investment Manager. Whilst with the Private Bank he passed his CISI Diploma in Investment Management.

In 2015, Martyn returned to Scotland and joined a national Independent Financial Planning firm based in Inverness. There he worked with businesses helping them become compliant with 'Auto-Enrolment' regime. During this time he also gained his Diploma in Financial Planning. After joining Watson Wood in 2018, Martyn embarked on his journey to Chartered status and attained this at the end of 2021.

Outside of work, Martyn is a keen golfer – albeit not a very good one! He has recently started on the SFA pathway to attain his coaching badges after being roped in to help with his son's football team.



As many of you may know, Martyn moved to Aberdeenshire in April 2022 due to his wife's job. Martyn and his family have now settled permanently in the North East and as such, we have decided to expand our services into the Aberdeen market - with Martyn leading the offering. As Watson Wood are well established in the Highlands and Moray, we felt the next step in our growth was to look to establish a presence in Aberdeen to expand our offering to cover the North of Scotland.

If you have any queries for Martyn please contact him on 01224 433221 or martyn@watsonwoodfp.co.uk.

Martyn will be our Financial Planner based in Aberdeen and will be meeting with existing clients based in the area and taking on any new clients in this area going forward.

We caught up with Martyn to discuss the new office.

“It is exciting to lead the Watson Wood offering in Aberdeen. Having been part of the firm for the last six years, I didn't want to work anywhere else as I truly believe we have a unique business model that puts the clients at the centre of everything we do. In expanding into Aberdeen, we can look to continue the growth the business and help new clients achieve their goals.”

A day in the life of a Watson Wood Financial Planner.

Here at Watson Wood we have six financial planners - Kevin Wood, Kirsty Watson, Shelley McMillian, Lee Macrae, Craig Maclean and Martyn Percival plus Jayne who is our Trainee Planner.

We are going to give you an insight to what a typical day looks like for a financial planner, through the lense of Martyn Percival.

How do you usually structure your day?

I start my day reading trade press to catch up with any developments in markets overnight. After catching up on the news and events, we have a team meeting to discuss what we will be working on for the day.

Most days I will have meetings scheduled, whether it is with clients or providers. Meeting with the providers ensures that I understand the options available to our clients.

In between meetings, I usually work on reports for clients or attend Continued Professional Development events, to keep myself up to date with developments within the profession.

What can be involved in creating a full financial plan for a new client?

This very much depends on the client. We will meet with the clients to ascertain their aims and objectives.

From the initial meeting, we will look to prepare an overview report – which looks at the client’s current situation and if they are on track to achieve their objectives. If they are on track, we will stress test the forecasts to ensure that there is headroom within the plans should the unexpected happen. If it appears that they are not on target, we will look at their situation to try and identify actions that could help with the progress towards their goals. Within the report, we will also review the existing plans to ensure they are suitable and will help meet the clients’ objectives. Again, we will pass comment on these arrangements and may provide recommendations to allow clients to access plans flexibly or to reduce cost the cost of the current plans.

Once we have prepared the report and sent it to the client, we will meet again to take them through the report in depth to ensure any queries they have are answered.

What’s one of the biggest challenges you deal with regularly?

One of the biggest challenges is dealing with jargon. As a profession, we are bad for having numerous terms for the same thing and having too many acronyms. It also causes issues when trying to get information from providers as often they will use their own terms for the things – which means they may not give the full information we have asked for in a request.

What is your favourite part of the job?

Believe it or not, my favourite part of the job is the constant change. No two days are the same. Sometimes, you will have planned your day out and a phone call or email can change your priorities.

How do you keep up with market or regulatory changes?

As part of being a Chartered Financial Planner, I have committed to undertaking a minimum of 35 hours of Continuous Professional Development (CPD) each year. A large portion of this must be ‘structured’ meaning there has to be a learning objective achieved by attending/watching an event. In addition to maintaining my CPD, I ensure I read trade press each day as this is a good way of furthering my knowledge in these areas.

With the changes to the Inheritance Tax treatment, is it still worth paying into my pension?

Currently, personal pensions, are not included as part on your estate when it comes to paying Inheritance Tax. But from 6 April 2027 personal pensions will be subject to inheritance tax at the standard rate of 40%.

Why is it still worth paying into my pension?

You will notice we are continuing to recommend to clients, where there is a need, to make pension contributions. Here are a list of a few reasons why:

- You immediately get basic rate tax relief on a pension contribution at a rate of 20%. This means a £10,000 contribution will cost you £8,000.
- If you pay Income Tax at a higher rate a £10,000 gross contribution costs you £5,800.
- If you are a basic rate taxpayer in retirement, you will receive a net payment of around £8,500 when drawing these funds out (before any growth). This represents a 46% return on your original investment
- Your pension investments grow free from Income Tax and Capital Gains Tax.

If you are a business owner, paying into a pension through a business is still very tax efficient. If we were to assume a 25% corporation tax rate, if dividends were going to pull you into the higher rate of dividend tax (33.75%), £10,000 of profit is turned into £4,968 before it reaches your pocket. If you instead pay it into a pension, then draw the funds out at a later date as a basic rate taxpayer, the £8,500 net payment you would receive represents a 71% return on the £4,968 net payment you could have received if you had instead taken this as a dividend!

As you can see, even without the estate planning benefits on pensions going forward, the tax relief on offer can boost your savings considerably. We believe pensions can still play a very important part in retirement planning.

Market Movements

In recent weeks we have seen some volatility in markets, due to concerns about global trade tariffs which may be come into force. The US stock-market, in particular, has seen a challenging period with concerns as to how tariffs may affect the US and global economies.

When working with our clients on their Financial Plans, we take account of periods like this and look to structure your portfolios and finances so that you can withstand these periods whenever they come along. One way we do this is to diversify our portfolios very widely – so that you are not reliant solely on one stock-market or asset type for your returns. We will often keep cash in our portfolios also, so that this can be drawn upon when other investments are fluctuating in value.

Importantly, when we calculate your financial position each year, we look to ensure you can withstand fluctuations in your investment portfolio without affecting your future plans. This is to give you peace of mind that a short term fall in the value of investments does not impact your retirement plans or current finances.

For those who have invested for a number of years, you will have seen periods like this quite often. In most instances, portfolios recover very quickly and are often showing positive returns within the year. However, if you feel you would like to understand how your own portfolio and financial plan is set up to withstand short-term volatility, please do not hesitate to contact your Financial Planner.



RISK STATEMENTS

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain.

For the sixth year in a row, Watson Wood has been awarded Corporate Chartered Financial Planning Firm status.

Being Chartered means more than a title - it is a commitment to professionalism, ethical values and continuous learning. This status drives us to put clients first by offering expert, ethical and knowledgeable advice that truly meets our clients needs. It is our promise of transparent, competent service that build lasting trust and delivers real benefit to each individual client.

Team News

Our adviser Shelley recently passed her exam in Long Term Care, the first step towards achieving her Chartered Status.

As you may have seen on our Social Media, Jayne will now be taking on a new role as Trainee Financial Planner. She will be sitting in on client meetings and beginning to lead some of her own.

We were delighted to welcome Kelly back to the Elgin office after being off on Maternity leave for the last year.

We welcomed a new Financial Planner to the team, Lee MacRae, who will be based in our Inverness office.

The team has continued to expand with a new member to the administration team in Elgin. We are thrilled to have Debbie join the team as an experienced administrator having worked in the industry for nearly 20 years.

Kirsty Watson, Director and Financial Planner was awarded Fellowship of the Personal Finance Society, after completing all the relevant exams.

Our administrator Dawn achieved Chartered MCSI status through the Chartered Institute for Securities & Investment.

Hannah in our Elgin Office is now on maternity leave having finished up in April. We were thrilled to hear Hannah had a baby boy called Harry and they are settling in well as a family of four.

Jason Florence in the Inverness office, passed his R05 Protection exam. This is exam pass number two for Jason who has been studying hard over the last few months.

Here are a list of the up to date allowances for the 2025/2026 tax year:

- Tax Free Income Allowance -£12,570
- Personal Savings Allowance -£1,000 for Basic Rate Taxpayers and £500 for Higher Rate Taxpayers
- Capital Gain Tax allowance -£3,000
- Pension Annual Allowance -£60,000
- Inheritance Tax Nil Rate Band -£325,000
- Main Residence Nil Rate Band -£175,000

(These rates refer to the Scottish Tax system)